



91 Fulton Street
Boonton, New Jersey 07005
Tel: 973.334.0003 Fax: 973.334.0928
www.firstenvironment.com

Tod Delaney

10-11-1 & 10-11-2

VIA Hand Delivery

December 14, 2010

California Air Resources Board
1001 "I" Street
P.O. Box 2815
Sacramento, CA 95812

Mr./Madam Chairperson:

Thank you for this opportunity to speak. My name is Dr. Tod Delaney and I appear before you today on behalf of my company First Environment, Inc., with offices in Sacramento, CA, Canada, Chicago, IL, Wesson, MS, New York City, NY, Washington, DC and headquarters in Boonton, NJ.

First Environment is a member of the Association of Accredited Verification Bodies that is comprised of firms certified to verify GHG emissions by the American National Standards Institute – also known as ANSI. Members of this Association have as few as five employees to nationally ranked firms. First Environment, is a company with 55 employees, of which 13 operate as certified verifiers.

Although I am a member of this Association, my comments here today are exclusively my own.

I have concerns regarding the proposed Accreditation Requirements for Verifiers outlined in Section 95132 of the proposed regulation and implore the Board not to adopt these requirements as currently written. Simply put – they are too weak.

New Jersey

If adopted, the requirements will undermine the very foundation of California's reputation, as a world-wide leader in the field of climate mitigation especially on projects involving carbon off-sets.

California

District of Columbia

As we all know, it is of the utmost importance to create a viable and stable marketplace for GHG emission trading. In order to have such a marketplace, you must have transparent and verifiable data – data that can only be obtained by using highly trained and competent third party verifiers.

Georgia

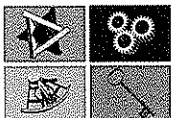
Illinois

Our firm has been in existence since 1977, and has been working on GHG emissions since the early 1990s. It is our experience that leads us to suggest to you that it takes more than simply - *taking a course and passing a test* - to become a competent, professional, and reliable verifier. In addition to education, training, and hands on experience, it takes a deep understanding of the fundamentals of auditing and verification. A competent verification team must be comprised of individuals that possess a balance of qualitative and quantitative skills. These auditors must rigorously apply a process that includes the strategic review of GHG management systems, complex verification planning and rigorous data quantification and assessment. Verifiers such as those employed by First Environment must withstand the

Mississippi

New York

Puerto Rico



constant scrutiny of internal and external program auditors to assure that verification procedures, skills and training are upheld.

Unfortunately, the proposed regulations do not assure the level of competency we feel is necessary to cultivate this market. If bad data is certified by inexperienced or unknowledgeable verifying bodies, it could cause a collapse in the US market for GHG emission credits – as the public loses faith in the credibility of these credits.

We have already witnessed the collapse of a number of sectors of the US economy due to unreliable and oftentimes manipulated financial data. We cannot afford to have the same thing happen in this developing marketplace.

To be clear, California has every right to promulgate its own set of standards and regulations, especially for entities that fall under the mandatory program, but it is in no one's interest to eviscerate the most fundamental instrument used to verify GHG emissions and credits.

Indeed, if the ARB promulgates the proposed Accreditation Requirements for Verifiers, California will be adopting a program that is not only vague, but severely damages California's global reputation as a leader in the science and economics of GHG.

There is no reason for ARB to duplicate the work that has already been completed by ANSI to accredit third party verifiers. Since 2009 ANSI's program has grown from the initial 7 certified Verification Bodies - to over 20 today. Thus, we recommend that ARB adopt ANSI's program.


If ARB continues down its own path, the duplicity of accreditation standards (ARB vs. ANSI) will cause confusion, error and ultimately disputed findings. These disputes will lead to litigation, which I believe is not the intent of the ARB. The beauty of ANSI program is that there is a mechanism in place to deal with such disputes, if they arise. And ARB can build upon ANSI's foundation to meet its particular needs.

Accurate and reliable reporting, made possible by competent third party reviewers, must be the cornerstone of GHG markets. As these markets emerge in this country and abroad, GHG data needs to be indisputable and verifiable, otherwise the world's confidence in those markets will be lost to other more reliable ones.

Thank you.

Respectfully submitted,

FIRST ENVIRONMENT, INC.



B. Tod Delaney, Ph.D., P.E., DEE
President